

## **THE STATE OF BAY ST LOUIS, MS**

**APRIL 16, 2013**

Good evening... City Council, Staff, fellow citizens and friends of Bay St Louis... The "State of the City Address" tonight will officially report on the status of specific areas of interest by which communities are most often scrutinized by the public. The City Council will be asked to authorize entering this entire report into the record of tonight's meeting.

### **ASSETS**

The intrinsic value of this City lies in our people, our culture, our strong Faith community, our arts community, our waterfront, our small business community, our gaming enterprise, our service sector, our school systems, and the sense of place and belonging that keeps it all working in unison... Our tangible assets, both public and private, continue to grow... the addition of Froogel's, new businesses on Beach Blvd and other small businesses in all districts have generated a sizeable increase in sales tax diversions coming back to the City and an even greater increase in retail traffic throughout the community. Our Arts Community continues to flourish and bring new and expanded audiences to the City that, in turn, brings with them the creative economy that drives tourism... After several years of intense construction, our City now has fixed assets valued at more than \$150,000,000.00... Consider that as recent as four years ago there was: no Beach Blvd. or seawall to protect it, no parking garage, no Boys and Girls Club in the restored VCJ School, no Al Smith Park, no sidewalk system with Bay St Louis lights, no expanded Senior Citizens' Center, no improved roadways at Washington St or Longfellow Road, no Main St Fire Station #1, no Garden Club, no Old Town streetscapes, no Old City Hall complete with cupola, no lighting on Hwy 603, no improved baseball complex or splash pad at McDonald Park, no Fire Station #2 on Hwy 603; and, no Depot District that can now boast the restored Depot that houses a vibrant Visitor's Center and Alice Moseley Museum, festival grounds, walkways, lights, park landscapes, duck pond; and, of course, Community Hall, born in the dreams of Rotarians and now the hub of activity there, in the middle of our Cultural Corridor. The economic impact that Community Hall has had on that district and this City is overwhelming... literally thousands of people have attended events there and have returned to their homes with wonderful impressions of our City and more importantly, plans to return... We enjoy a greatly improved quality of life here because we, as a community, have incorporated the full utilization of every asset mentioned into the fabric of our daily lives and routines... nothing has been wasted... every project has produced a useful and sustainable asset that will serve Bay St Louis for generations... and the City successfully operates and maintains all within the current budget.

## **CAPITAL PROJECTS**

The waterfront project that includes the harbor, the Jimmy Rutherford Fishing Pier, the expanded recreational sand beach and the parking area at the foot of the new vehicular ramp is the most ambitious economic development project ever to be funded by the Federal and State Governments inside Bay St Louis. Proper perspective as to the ultimate use of the harbor facility is paramount to understanding the positive economic implications. First and foremost, the highest and best use of the harbor is not the long term berthing of all size boats that is typically the principal enterprise... because of its proximity to the pier, beach and especially Downtown, it is the ability to accommodate short term visitors that come to Bay St Louis by water that will create the real economic opportunity. Those that come by way of jet-ski, party barge, skiff or yacht will be able to park their boat for an hour, a day or a weekend, disembark, and enjoy whatever aspect of Bay St Louis they choose. They will spend money and enjoy doing it. The vast majority of boat owners does not fish; and, more often than not, are starved for recreational destinations that give them a reason to use their boats. Our regular visitors will not only come locally from the entire Bay of St Louis basin and the Mississippi Gulf Coast, but from Alabama all the way through the Lake Pontchartrain basin and beyond. The Harbor Commission that will be seated later this year will be tasked with establishing a fee system that will sustain regular operations and maintenance, long term maintenance and future capital projects in and around the harbor. The harbor has already been set up as a City enterprise with \$250,000.00 in operating capital and will always be maintained separately from General Fund activity. Other projects pending or underway that include Federal funding are a traffic signal at Bouslog and Hwy 90, street lights and striping on Main St from Beach Blvd to Hwy 90 and sidewalks and lighting on St Francis and Old Spanish Trail from Main St to the City limits. The city will continue to pursue available capital for a canal dredging project that the U. S. Army Corp of Engineers has approved but has failed in attempts to get authorization to redirect necessary funding. The RESTORE ACT (Resources and Ecosystems Sustainability, Tourist Opportunity, and Revived Economies of the Gulf States Act of 2011) presents the most viable possibility for funding large capital projects in the short term.

## **GOVERNMENTAL FUNCTION**

The City's governmental function is, by the simplest definition, to provide fundamental service and protection to our local citizens and manage their City's business. Bay St Louis has a body of elected officials that are proven, dedicated stewards of the City's interests... With little exception, personal agendas are set aside for attention to the greater public good. The cooperative spirit and willingness to compromise in a very open, transparent public forum has proven to be effective. Keeping an accurate, complete, accessible public record is our greatest collective responsibility and our "open door" policy encourages our citizens to share

suggestions or get answers to their questions at the source. The City's web site and use of other social media is also serving to keep our community more informed. The redistricting required after the 2010 census has been completed and new ward lines have been drawn.

## **FINANCE**

I am proud to report that the City remains current on its audit obligations to the State and Federal Government... The level of accountability that comes with receiving Federal funds makes the audit process even more intense... Federal Single Audit requirements kick in whenever a municipality receives Federal grants totaling more than \$500,000.00 in any fiscal year and mandate a complete reporting as to the timeliness and accuracy of every payment generated from the grants... The City's audits indicate the high level of fiscal stewardship that is required to maximize Federal and/or State participation in any local initiative... David Kolf, our Municipal Clerk, and Katherine Smith, our Comptroller deserves credit for their daily scrutiny and budgetary maintenance. The City currently has over \$350,000.00 in separate operational reserve accounts that were initiated in 2011. Our millage continues to be set at 17.75 with 2.75 being dedicated to support the library system.

## **CITY OPERATIONS**

For all that are budget conscious, it is important to understand that our city operations have expanded while personnel costs have continued to decline. Managing taxpayer dollars to provide maximum service at the least possible cost is always our biggest challenge and most fundamental obligation. All departments have worked diligently to that end. Openings created by natural attrition and retirements have been replaced from within the ranks where excess staffing was recognized and cross-training was suitable; or, by hiring part-time versus full-time when appropriate... Overall personnel costs are down over 27% since 2009 even with the rising cost of benefits. We have a family of dedicated employees committed to growing their abilities to serve the public more professionally. The commitment to keep our people employed while cutting overall costs was the reason we brought some of the larger contracted services, like grass cutting, back "in house" at great savings. These current department heads and supervisors are providing the most effective leadership the city has ever had... Mike DeNardo, Police; Pam SanFillippo, Fire; Jimmy Loiacano, Beautification; Peggy Averhart, Courts; Charles Oliver, Building; Charlene Black, Zoning; Buz Olsen, Community Development; Paula Fairconnetue, Cultural Affairs; Gus McKay, Human Resources; Buddy Zimmerman, Public Works; Jane Carrow, Clerk of Council; Candee Breaux, Utilities; and, David Kolf, Finance. `

## **CITY OPERATIONS IN OUR ANNEXED AREA**

We are proud of the area that became part of our City in 2006... We consider the marriage of areas old and new more of a consolidation than an annexation... and the benefits of consolidation should go both ways... This year alone, \$540,000.00 of ad valorem taxes will be generated from the area with \$456,000.00 going to the General Fund and \$84,000.00 going to the Hancock County Library based on the 2.75 mill dedication... the direct savings associated with being under City rather than County are a 15% reduction in flood insurance premiums based on our CRS (Community Rating system) Class 7 rating versus the County having no reduction and an approximate 30% reduction in homeowner's insurance based on the discount differential between the City's class 5 fire rating and the County's Class 8... the City virtually doubled in geographic size when the annexation took place and our linear miles of roadway doubled also... we now have 60 additional miles of right-of-way being maintained and 5 miles of additional Highway right-of-way... right-of-way maintenance includes the cost of street lights, grass cutting, ditch maintenance and roadway maintenance... police and fire protection are spread equally across the City... to draw some perspective, approximately 50% of our Police, Fire, Public Works and Building Department efforts are expended in our new wards... the costs of providing that level of service is affordable because we have been consolidated and manage our expenses as a City... expenses that we could not afford separately... with 27 miles of waterways now in the City, it is easy to envision that our residential base will ultimately be in Garden Isles and Shoreline Park and we will work together to bring roadways, drainage systems and parks in line with City standards. For the foreseeable future, utilities will remain under the certificate of the Hancock County Water and Sewer District as mandated in the annexation... we do, however continue to advocate through the Hancock County Utility Authority for completion of the water distribution system that leaves approximately 440 homes without water...

## **PUBLIC PARTNERS**

The following community partners provide critical resources to individuals and businesses within our City; and, the co-dependency that exists is of fundamental importance to our quality of life. These partners are either in the City or receive direct support from the City or both: Hancock Medical... the Hancock County Chamber of Commerce... the Hancock County Tourism Bureau... the Hancock County Library System... the public and private school systems... the Senior Citizen's program... the Boys and Girls Club... youth baseball, softball, football and soccer...

## **IMAGE**

At the end of the day, our image is the driving force of our future... if we project an image of growth, we invite business investment... if we project an image of a city where quality of life is

the priority, we attract new residents... We all participate, like it or not, in creating the image of ourselves that the rest of the world sees. Are we broadcasting a positive image? ... We are, and I think it improves daily... We, as a City, are becoming the envy of the region... people that come to Bay St Louis often want to stay in Bay St Louis... that's our goal... to be an attractive place to visit, play, work, live, invest and raise a family... so, we will continue to make improving our image an operational priority; **and**, continue to "raise the bar" for ourselves because the opportunities to set us as "A Place Apart" from other communities has no boundaries... our charm and culture are addictive... that's why we were voted one of the "10 Coolest Small Towns in America" by Budget Travel Magazine... that's why the Little Theatre received the prestigious "Governor's Award for Excellence in the Arts"... that's why 100 Men Hall is now officially on the "Blues Trail"... that's why we were declared one of "The Best Little Beach Towns" by Coastal Living Magazine. To a tourism based economy like ours, first impressions are the only ones that count and you only have one chance to make them... it is those first impressions that either bring people back or drive them away... it's a community effort.

## **VISION**

We are a proud community, both collectively and individually... and we have worked very hard together to make this city what it is today... But, our work is not done yet... Insurance costs and the costs of compliance continue to be the most critical issue facing all that live here or want to live here... especially those that choose to live on the water... pending NFIP (National Flood Insurance Program) rate increases threaten to further erode the affordability of coastal living... the City is positioning itself to wage war against that threat... our past success in winning an appeal gives us some hope... originally the NFIP had mandated that virtually all of the newly annexed area would be in a Velocity Zone and would have made building and rebuilding almost impossible... the successful appeal pushed the V-Zone out to the river's edge thus making thousands of properties suitable for affordable development... I think that we have as good a case against the mandate to increase premium costs proposed in the Flood Insurance reform Act of 2012... We feel that our citizens have already incurred significant personal costs in mitigating future flood risks by being forced to build to the highest elevation standards that exist... it is not equitable when you consider communities to the west whose flood risks are being mitigated by the construction of vast levee systems being paid for by the Federal Government and not the homeowners within the system... we will advocate for our homeowners to be excluded from rate increases based on costs of compliance already borne and this very obvious disparity in mitigation standards... we will fight for this issue not to slow our momentum... we are seeing a rapid repopulation and a flourish of new construction... in fact, all trends are positive... our economy is trending upward rapidly as sales tax reports indicate... our school children are achieving much higher academic scores and ratings... sports programs are producing championship talent and winning more titles in every sport than any

other community our size... outdoor events are drawing record crowds... and Bay St Louis is back on the itinerary of discerning tourists everywhere... **if** there are limits to what we can accomplish together we haven't found them yet...

Thank you and God bless Bay St Louis...